



Draft -- D4 Small Business Council Meeting Minutes

DATE: 10/16/2007

TIME: 1:30 – 3:30

LOCATION: District 4

Executive Conference Room, 15-240

111 Grand Ave.

Oakland, CA

D4 CALTRANS STAFF PRESENT

Bijan Sartipi, District Director

Dan McElhinney, Chief Deputy District Director

Tony Anziano, Toll Bridge Program Manager

Lenka Culik-Caro, Deputy District Director, Design

Stewart Ng, Deputy District Director, Program and Project Management

Dan Hess, Deputy District Director, Administration

Kim Le, Office Chief - Maintenance Services

Brian White, Small Business Liaison

Trinity Nguyen, Office Chief, Consultant Services

John Prokop, Construction

Sylvia Fung, Local Assistance

Romy Fuentes, Consultant Services

MD Salahuddin, Maintenance and Toll Bridge Engineering

Bob Rosevear, System and Regional Planning

HQ & AGENCY STAFF PRESENT

Olivia Fonseca, Deputy Director, HQ Civil Rights (via teleconference)

COUNCIL MEMBERS PRESENT

Arvin Chaudhary, CELSOC

Ali Altaha, Arab Chamber of Commerce

Jesus Vargas, Hispanic Chamber of Commerce

Eddy Lau, Asian American Architects & Engineers

Paul Guerrero, Small Business Entrepreneurs

GUESTS

Raewyn Lelo-Butcher, Ghirardelli Associates, Inc.

"Caltrans Improves Mobility Across California"

I. Introductions

District Director Bijan Sartipi chaired the meeting of the October Small Business Council. He apologized in advance that he would be pulled out of meeting for 15 to 20 minutes. Mr. McElhinney would take over chairing the meeting during that time. On behalf of the California Small Business Entrepreneurs, Mr. Guerrero congratulated District 4 on potentially selecting for outreach Padilla and Associates.

II. Approval of June and September Minutes

June 13, 2007 Meeting Minutes:

Motion: Mr. Paul Guerrero

Second: None

Opposed: Mr. Ali Altaha

Approved: No, tabled until next meeting

Discussion: Mr. Altaha objected to approving the minutes on the basis of inconsistencies between the minutes and his personal recording of the June 13, 2007 meeting with regards to Ms. Nguyen's response about selection criteria. Mr. Sartipi asked Mr. Altaha to produce his personal recording of the June 13, 2007 meeting that has Ms. Nguyen saying this. Mr. Sartipi explained that this matter had been resolved at the last meeting: it had been verified with Ms. Nguyen and Mr. Sartipi that there was not another set of selection criteria. When Mr. Altaha persisted, Ms. Nguyen reiterated that there is no separate set of selection criteria; however, each contract will have its own specific requirements, and this may impact how the panel awards contracts. Mr. Sartipi reemphasized that if there is different criteria in a specific contract, then there is that criteria, and if it is in a specific contract, then it is included in the contract, but there is no different, unannounced, unwritten criteria used in District 4.

September 11, 2007 Meeting Minutes:

Motion: Mr. Paul Guerrero

Second: Mr. Jesus Vargas

Opposed: Mr. Ali Altaha

Approved: By consensus of members who were present at the September 11, 2007 meeting

Discussion: Mr. Guerrero had two questions about the minutes. First, Mr. Guerrero wanted to verify that Ms. Nguyen had brought the "Quarterly Small Business and DBE Report" to the meeting today that had been promised at the September 11, 2007 meeting; Ms. Nguyen replied that she had. Second, Mr. Guerrero pointed to the section of the September 11, 2007 minutes that noted that Mr. Ramirez had not been paid for pouring of concrete in Stockton for the Skyway job and asked if this had been resolved. Mr. Sartipi explained that Mr. Finney (Deputy District Director for Construction) was at the September 11, 2007 meeting and that this specific issue was being handled in a forum separate from the SBC meeting. In general, Mr. Guerrero wanted a procedure for alerting Sacramento whenever prompt payment does not happen at the District level. Mr. Sartipi acknowledged that prompt pay is a very important issue and explained that the Department as a whole is moving toward getting to that conclusion, but it is not there yet.

III. District 4 Updates

Construction Update:

Mr. Prokop referred to the spreadsheet "Forecast of Upcoming Construction Projects in District 4 as of October 4, 2007" contained in the meeting folders to brief the council on this topic. Mr. Lau had wanted to ask Ms. Fonseca why Civil Rights did not raise a red flag about firms such as Taber Construction, Inc that have a pattern of not meeting the DVBE goal but are still awarded contracts. [Ms. Fonseca had not yet joined the meeting via telephone]. Mr. Vargas asked why there were no DVBE goals for contract #s 0A0401, 0T2401, and 0060A1. Mr. Lau said that his hunch is that these are federally funded projects and right now it is the policy not to list DVBE goals for these projects. Mr. Altaha asked for a confirmation of this. Ms. Culik-Caro confirmed that 0A0401 is federally funded. Mr. McElhinney asked Mr. Prokop and Mr. Finney to follow up Mr. Vargas' question for the next meeting.

Action Item 2907 for Mr. Prokop and Mr. Finney

Maintenance Update:

Mr. Salahuddin referred to charts titled "D4 Warehouse Purchases (Office Supplies) FY 06/07" and "District 4 Emergency Contracts Small Business Utilization Report" contained in the meeting folders to brief the council on this topic. Mr. Guerrero asked if the small businesses represented on the "D4 Warehouse Purchases (Office Supplies) FY 06/07" chart were certified small businesses, and Mr. Salahuddin replied that the small businesses were through DGS. Mr. Altaha then asserted that the 3% DVBE goal that was reported by the DGS had been revised to a much lower number. Mr. Guerrero thought that this revision had been made because certain agencies that had not been reporting were added into the total; these additions may have lowered the overall State percentage. Mr. Altaha requested that any revisions to the DVBE goals be presented to the council. Mr. McElhinney asked Mr. Hess to follow up on the 3% DVBE issue raised by Mr. Altaha.

In presenting the "District 4 Emergency Contracts Small Business Utilization Report," Mr. Salahuddin emphasized that both in FY 06/07 and so far in FY 07/08, 85% of the funds in the District Director's Emergency Force Account have gone to small businesses. Mr. Altaha questioned the fairness of the procedure for retaining firms for emergency force account contracts: he observed that a small number of contractors had been repeatedly chosen even though Caltrans has long list of contractors from which to choose. Mr. McElhinney explained that Caltrans emphasizes reaching out to multiple companies, but there are factors which can narrow the field of potential contractors such as location of storm damage, type of work, and availability. Mr. Altaha asserted that Caltrans is only making one phone call to find a contractor for these jobs. Mr. Sartipi replied that this was not necessarily the case: the first contractor called might be unavailable, then the second contractor called might not be able to get to the site, and so on, so it is dependent on which contractor responds positively first.

Action Item 3007 for Mr. Hess

Architecture & Engineering (A&E) Update:

Mr. Fuentes referred to the following two spreadsheets when briefing the council on this topic: "Recent and Upcoming A & E Contracts (update 9-11-07) [NOTE: date should be 10-16-07 and will be corrected by Mr. Fuentes]" and "SBE Status Quarterly Update (dated 10-15-07)" contained in the meeting folders. Mr. Sartipi asked that Mr. Fuentes make all corrections needed on the "Recent and Upcoming A & E Contracts" spreadsheet and re-distribute it to the meeting attendees. [At this time, Ms. Fonseca joined the meeting.] Mr. Altaha requested details on the interviewing and proposal review process for contract # 04A2854. Ms. Fonseca noted that Mr. Altaha was on one of the teams for submittal of this proposal; for this reason, the SBC should not be addressing Mr. Altaha's questions, and instead he should be bringing these questions to the attention of his team lead. Mr. Sartipi asked the council and staff not to discuss contracts under protest or a potential conflict and immediately ended council discussion about this contract.

Toll Bridge Program (TBP) Update:

Mr. Anziano noted that any ongoing toll bridge contracts were included in the handouts provided by the A&E presenter at this meeting, and there are no projects upcoming for Toll Bridge in Construction. Mr. Anziano reported on the Small Business Networking Event at Pier 7 to make connections between prime contractors and small businesses had a light turnout. Noting that some had concerns about MCM's usage of small businesses, he highlighted the fact that MCM has made a public commitment to increase their small business usage from what seems to be 0% to 25%. Also, Mr. Anziano explained that Caltrans plans to help small businesses become certified. Mr. Guerrero suggested that Caltrans bring to networking events certification instructions and forms to facilitate this process, and Mr. Anziano agreed with this recommendation and took it one step further when he proposed to providing online registration for small businesses at the event sites. Mr. Altaha suggested that outreach event attendees be provided in their informational folders a list of subcontracting jobs available. He also observed that there were no teeth in the efforts to increase contractor use of small businesses. Mr. Guerrero asked Ms. Fonseca about the status of AB 761, a bill that sets benchmarks that must be met, and she announced that it had been signed that morning. Mr. Guerrero observed that this bill provides the teeth. On the other hand, Mr. Vargas noted that counties have had success with Smart Partnership arrangements in forming real business relationships even though there had not been legislation forcing this.

Mr. Lau brought discussion back to contract #04NEW276-07 on the spreadsheet presented by Mr. Fuentes called "Recent and Upcoming A&E Contracts (Update 10-16-07). He questioned why this contract for \$25 million could not be divided up into smaller contracts; if contracts are very large, then small businesses are automatically shut out from competing for them. Mr. Anziano responded that he does not see a way to divide up contract #04NEW276-07 into smaller pieces, but he thinks that the other smaller contracts listed on this spreadsheet balance this out. Mr. Altaha questioned why the scope of work for contract #04NEW276-07 could not be divided up. Mr. Lau requested that an advisory committee be convened to look at contract #04NEW276-07. Mr. Sartipi asked

Mr. Anziano to meet with him within the next 14 days to revisit this issue. Mr. Altaha requested a listing of all firms with a conflict of interest, and Mr. Anziano will see if this is feasible.

IV. Review of Past Action Items

Mr. Hess led a review of the outstanding action items from the 9/11/07 minutes.

#2107 Ongoing

Mr. Lau reported that DPAC has formed a task force to study this issue, but it has not finished yet. Once the study is completed, the council will be able to get the answer from DPAC. Mr. McElhinney asked what the timeline is for this. Ms. Nguyen said that this matter would be discussed at the November CELSOC meeting and estimated that the study could be expected at the end of November.

Mr. Altaha raised specific concerns about the illegality of Caltrans' prevailing wage determination requirements and unfairness of insurance requirements, and he requested that this be made an action item for the District 4 SBC to follow up on. Ms. Fonseca suggested that these specific concerns be brought up to the statewide SBC because it is a statewide issue, not a district issue. Mr. McElhinney and Mr. Hess agreed that these matters should be directed to the statewide SBC. Mr. Lau volunteered to take this matter to the statewide SBC as a professional service, provided that he has proper documentation. Mr. Lau emphasized that once Mr. Altaha provides Mr. Lau with the proper documentation, Mr. Lau will proceed.

2407 Postponed

Mr. Anziano assured the council that these statistics could be collected and that he was moving forward on this action item. Mr. Hess suggested that this action item be made a regular report for Toll Bridge to make to the council and to mark this action item as complete. Mr. Guerrero asked that the council wait until Ms. LaCome came back to do this.

#2507 Complete

Ms. Nguyen referred to a spreadsheet called "SBC Action Item 2507: List of Project Managers and Sub-Consultants for Recently Awarded A&E Contracts" in responding to this action item. Mr. Altaha took issue with the presentation of the spreadsheet because he wanted to see CI (Construction Inspection) projects only. Mr. Vargas explained that the council had approved the choice of contracts at the last meeting. Mr. Altaha acknowledged that CI contracts were included in the contracts reported on the spreadsheet; therefore, Mr. Hess noted that this action item was completed.

#2607 Complete

Mr. Hess referred to a spreadsheet called "Small Business Enterprise Activity: Comparison of 05/06 and 06/07 Fiscal Year" in responding to this action item.

#2707 Postponed

Mr. Anziano requested to postpone this action item because Ms. LaCome was not in attendance, and Mr. Anziano needed clarification from her to proceed. Mr. Guerrero explained that Ms. Lacome's issue was language in the addendum to OCIP that the council wanted to get corrected; this language caused contractors to be double-billed for insurance. Mr. Anziano will follow up with Mr. Salazar, and Mr. Salazar would be at the next council meeting to address this action item.

#2807 Ongoing

Mr. Guerrero noted that the item's language on page 8 of the September 11, 2007 minutes was not accurate for this action item; the item should read: "Mr. Lau suggested that the Council accept the minutes as presented and make 'checking on unwritten rules' an action item." Because of this error, Mr. Hess continued this item until the next meeting.

V. The Meeting Adjourned at 3:45 P.M.

Mr. McElhinney announced that the next District 4 SBC Meeting is scheduled for November 14th, 2007 and the meeting after that is scheduled for December 18th, 2007.

District 4 Small Business Council Meeting Schedule – 2007

Type Meeting	Date/Time	Meeting Location
Monthly Meeting, District 4 Small Business Council	1/10/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	2/14/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	3/14/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	4/11/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	5/09/07, 1:30 p.m.	Parkview. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	6/13/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	7/11/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	8/08/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	9/11/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	10/16/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	11/14/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	12/18/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland

District 4 Small Business Council Action Items as of October 16, 2007:

No.	Item	Assignee	Date	Status	Comments
2107	CSU Chief Nguyen will invite Ray Shaw, DPAC to an SBC meeting to discuss the added insurance requirements for new contracts. Mr. Lau will raise this issue at the statewide SBC.	CSU Chief Nguyen & Councilmember Lau	5/09/07	Ongoing	DPAC has formed a task force to study this issue, but it has not finished yet. [#2107 has been merged with #2007, and #2007 was marked completed]
2407	Councilmember LaCome requested that Caltrans provide a periodic update of actual usage for the second and third layer of subcontractors on the Oakland Touchdown contract	TBP Manager Anziano	7/11/07	Postponed	Mr. Hess requested that at the 11-14-07 meeting this item be marked completed and that the topic become part of the monthly reporting by Toll Bridge
2707	Councilmember LaCome asked Tony Anziano to provide information on the addendum to OCIP for the Oakland Touchdown project.	TBP Manager Anziano	7/11/07	Postponed	Mr. Anziano will follow up with Mr. Salazar, and Mr. Salazar would be at the next council meeting to address this action item.
2807	Mr. Lau suggested that the Council accept the minutes as presented and make "checking on unwritten rules" an action item.	DD Sartipi	9/11/07	Ongoing	Because of an error in the wording of #2807 in the 9-11-07 minutes, Mr. Hess continued this item until the 11-14-07 meeting.
2907	Mr. Vargas asked why there were no DVBE goals for contract #s 0A0401, 0T2401, and 0060A1.	DDD Finney and Mr. Prokop	10/16/07	New	Mr. Prokop was subbing for Mr. Finney at the 10/16/07 meeting
3007	Mr. Altaha requested that any revisions to the DGS 3% DVBE goals be presented to the council.	DDD Hess	10/16/07	New	

District 4 Small Business Council Items Deferred to Statewide Council

Number	Item	Assigned to	Date Assigned	Status	Comments
1306	DDD Hess will follow up with HQ to ascertain services provided by GCAP as per contract received.	DDD Hess	3/8/06	Ongoing	Reinstated 8/9/06. Contract under review. Council members Guerrero and Altaha will serve on RFP review committee.
1706	DDD Hess will examine existing web-based registration for contractors with Office of Civil Rights	DDD Hess	4/12/06	Ongoing	8/9/06: Will need additional time for review and analysis.
3206	Elevate the concerns of the District 4 Small Business council regarding Caltrans' plan to implement the new insurance limits on January 1, 2007.	DDD Hess	9/13/06	Ongoing	Issue shared with Olivia Fonseca. Update provided on 10/11/06. Statewide SBC issue. Discussion included in 08/16/06 Statewide SBC minutes. Victor Salazar, HQ, is the lead on this issue.
1607	Mr. Finney agreed to research whether supply line items may be separated out of Prime contracts.	DDD Finney	3/14/07	Ongoing	DDD Hess will inform Deputy Fonseca on this issue. An e-mail was sent to Deputy Fonseca on 5/16/07. Mr. Hess will follow up on this item at the Statewide SBC meeting on 6/15/07. DDD Louie and Deputy Fonseca have agreed that this is a statewide issue and should be moved to the Statewide SBC